

2016/17

# Budget Document



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## Glossary

**Adjustments Budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**AFS** – Annual Financial Statements.

**Budget** – The financial plan of the Laingsburg Municipality.

**Budget Related Policy** – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

**Capital Expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's Statement of Financial Performance.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**CFO** – Chief Financial Officer of Laingsburg Municipality

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GFS** – Government Finance Statistics. An internationally recognized classification system that facilitates like for like comparison between municipalities.

**GRAP** – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality

**KPI's** – Key Performance Indicators. Measures of service output and/or outcome.

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** – The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous three years and current years' financial position.

**NT** – National Treasury

**Net Assets** – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

**Operating Expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed ratable value is multiplied by the rate in the rand.

**R&M** – Repairs and maintenance on property, plant and equipment.

**SCM** – Supply Chain Management.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic Objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorized expenditure** – Generally, spending without, or in excess of, an approved budget.

**Virement** – A transfer of budget.

**Virement Policy** – The policy that sets out the rules for budget transfers.

**Vote** – One of the main segments into which a budget. In Laingsburg Municipality this means at directorate level. The votes for Laingsburg therefore are:

- Municipal Manager;
- Corporate Services;
- Financial Services;
- Engineers Services; and
- Community Services

## Part 1 – Annual Budget

### Section 1 – Mayor's Report

Dit is vanoggend vir my 'n eer om aan u die konsepbegroting vir die komende finansiële jaar voor te lê. Dit is die finale jaar van ons ampstermyn sedert die verkiesing in Mei 2011. Dit is 'n tydperk om te besin oor ons prestasies en om uitdagings te identifiseer wat voorlê en hoe ons in terme van ons begroting prioriteite daarmee sal moet handel.

Die omsendskrywe 78 van die Nasionale Tesourie het verskeie riglyne vir die 2016/2017 begroting aan Plaaslike Owerhede deurgegee. Daar word onder andere na die huidige ekonomiese toestand in ons land verwys. Die 2015 Mediumtermyn Begroting Beleidsverklaring wys daarop dat die globale ekonomiese vooruitsigte swakker as wat verwag is presteer het. Groei in ontwikkelende ekonomieë het gemodereer in reaksie om kommoditeitspryse, gedempte binnelandse vraag en verminder kapitaalinvloei te verlaag. Groei in sommige ontwikkelde ekonomieë het hierdie verlangsamings verreken. Die Suid-Afrikaanse ekonomie sal na verwagting met 1,5 persent in 2015, 1,7 persent in 2016 en 2,6 persent in 2017 groei. Binnelandse inflasie is laer, hoofsaaklik as gevolg van dalende oliepryse. Die depresiasie van die Rand en die huidige droogte knou baie dele van die land, wat 'n groot risiko inhou vir inflasievooruitsigte. Verder hou die tekorte in elektrisiteitsvoorsiening die grootste binnelandse risiko in vir groei.

Hoë werkloosheid is steeds een van die mees dringende uitdagings in Suid-Afrika. Moeilike handelstoestande en 'n lae sakevertroue vlakke het 'n beperkte huur in 2015. Die formele sektor het 76 000 werkgeleenthede verloor, met skerp dalings in die vervaardiging en konstruksie bedrywe, sowel as die gemeenskap, maatskaplike en persoonlike dienste.

Hierdie ekonomiese uitdagings sal voortgaan om druk op munisipale inkomste generering en insameling van betalings te plaas. Die Tesourie beveel dus 'n konserwatiewe benadering aan vir die projektering van munisipale inkomste. Hierdie omstandighede maak dit noodsaaklik vir munisipaliteite om uitgawes te herprioritiseer en streng koste beheer maatreëls te implementeer.

Nasionale Tesourie gaan voort om munisipaliteite aan te moedig om stygings in tariewe en ander koste op vlakke wat 'n gepaste balans tussen die belange van die armes, gewone huishoudings, ander kliënte te bring en steeds te verseker dat die finansiële volhoubaarheid van die munisipaliteit gehandhaaf word.

Dit is dus noodsaaklik vir munisipaliteite om te verseker dat hul tariewe ten minste voldoende is om, die koste van grootmaat dienste te dek en ook om te verseker dat alle eiendomme korrek aangeslaan word vir eiendomsbelasting en alle dienste gelewer.

In die aanloop tot die 2016 plaaslike verkiesings, word munisipaliteite aangemoedig om te streef en te verseker dat finansiële volhoubaarheid gehandhaaf word. Nou, meer as ooit tevore, is dit uiters belangrik vir 'n goeie munisipale besluitneming sodat volhoubaarheid van munisipale finansies en dienslewering oor die langtermyn selfs na die verkiesing tydperk.

Die huidige samestelling en leierskap van die munisipale rade is verantwoordelik vir die samestelling van die 2016/17 medium termyn inkomste en uitgawes (MTEF) begroting. Rade word aangeraai om uitgawes te prioritiseer in lyn met die beleid soos beskryf in die geïntegreerde ontwikkelingsplanne (GOP). Infrastruktuur voorsiening vir water, sanitasie, paaie en elektrisiteit bly sleutelprioriteite.

Gedurende hierdie tyd van oorgang, moet alle belanghebbendes saamwerk om te verseker dat munisipaliteite voortgaan om hul funksies doeltreffend en effektief uit te voer. Die burgemeester en munisipale bestuurder moet nou betrokke wees by die proses van die jaarlikse hersiening van die vyfde en laaste jaar van die GOP in terme van artikel 34 van die Wet op Munisipale Stelsels (SSA) en die 2016/17 begroting voorbereidingsproses ingevolge artikel 21 van die MFMA. Dit is veral belangrik om te verseker dat reëlins vir die hersiening van GOP en voorbereiding van begrotings moeiteloos voortgaan en hierdie prosesse nie vertraag kan word in afwagting van die aankondiging van 'n verkiesingsdatum.

Die onsekerheid van die datum van stemdag beteken dat die nuutverkose rade moontlik nie behoorlik saamgestel kan wees teen 31 Mei 2016 nie en dus sal hulle nie in staat wees om die jaarlikse begroting te oorweeg voor die aanvang van die nuwe munisipale finansiële jaar nie. As die verkiesingsdatum val binne die laaste deel van Mei 2016 en indien daar enige vertraging in die verklaring van die verkiesingsuitslae is of indien die resultate wetlik betwis dan is dit onwaarskynlik dat die nuwe rade in staat sal wees om die jaarlikse begroting voor die begin van die nuwe munisipale boekjaar te oorweeg. Dieselfde geld indien die verkiesing in Junie, Julie of Augustus sal plaasvind. Dit is om hierdie rede dat dit aanbeveel word dat die uittredende raad die 2016/17 MTREF-begroting voor die aanvang van die nuwe finansiële jaar moet goedkeur.

Die nuwe verkose Raad mag 'n gewysigde begroting binne die raamwerk van die MFMA voorlê maar is ook deur wetgewing beperk om nie die belasting en tariewe nie aangepas mag word nie.

Die huidige raad is nie wetlik gemagtig om net 'n begroting te aanvaar, wat die nuwe raad verplig om wesenlike veranderinge deur 'n aansuiweringsbegroting reeds kort ná die begin van die munisipale boekjaar voor te lê is nie.

Mnr die Speaker, laat my nou van hierdie geleentheid gebruik maak om ons begroting te bespreek vir 2015/16 te neem. Dit gee my groot plesier om die Mediumtermyn Inkomste en Uitgawe Raamwerk vir die tydperk 2016/2017 tot 2018/2019 voor te lê.

In die terme van die begroting oorsig, is die 2016/17 gekonsolideerde begroting van R107,275milj ontwikkel met die algehele beplanningsraamwerk en sluit programme en projekte in om die munisipaliteit se strategiese doelwitte te bereik.

Wanneer daar na die bedryfsbegroting verwys word kan ons eerstens na die bedryfsuitgawe begroting kyk wat die voortgesette lewering van dienste befonds wat deur die Munisipaliteit voorsien word. Die bedryfsbegroting het gegroei van R85 894 000 in 2015/16 tot R97 705 000 in 2016/17. Hierdie bedrag sal verhoog word tot R103 186 000 in 2017/18 en R109 792 000 in 2018/19 onderskeidelik. Die toename in die bedryfsuitgawesbegroting word hoofsaaklik gedryf deur die koste van grootmaat aankope elektrisiteit, die koste van die aanspreek van dienslewering agterstande, herstelwerk en instandhouding van infrastruktuur, werknemer verwante koste as gevolg van vulling van vakatures en voorsiening vir salarisverhoging en die impak van die nuwe organisatoriese struktuur op die bedryfsuitgawes .

Oor die volgende drie finansiële jare, 2016/17 tot 2018/19 word geprojekteer dat die kapitaalbesteding soos volg sal wees. In 2016/17 R9 566 000 en in 2017/18 R7 926 000 en in die 2018/2019 finansiële jaar R8 861 000. Die bedrag wat uit staatsubsidies beloop sal ongeveer 84% van die totale kapitaalbesteding beloop.

Met die opstel van die tariefverhogings het ons kennis geneem van ekonomiese toestande, insetkoste en die bekostigbaarheid van dienste om die finansiële volhoubaarheid van die dorp te verseker. Die bedryfsrekening word ondersteun deur meer as 37% bedryfssubsidies van die nasionale en provinsiale regerings. Inkomste uit belasting en diensegelde is verantwoordelik vir 'n verdere 37% van die totale inkomste. Die netto verdienste uit verkeersboetes is tans 20% van die totale inkomste.

Alle pogings is aangewend om te verseker dat die kwaliteit dienste gelewer word aan die gemeenskap op 'n bekostigbare prys. Die belangrikste tariefverhogings vir die 2016/17 finansiële jaar is soos volg:

Eiendomsbelasting:	9.3%
Water:	8.5%
Vullis:	9.8%
Riool:	8.0%

Elektrisiteit:

Ek wil nou die Hoof Finansiële Beampte vra om die begroting en tariewe met die Raad deur te werk sodat ons u almal se instte daarop kan verkry en wysiging ingewerk kan word in die finale begrotingsdokument .



## Section 2 - Council Resolutions

The Council approved and adopted the following resolutions:

1. The Council of Laingsburg Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Section 4 of the annual budget report Table A2;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Section 4 of the annual budget report Table A3;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Section 4 of the annual budget report Table A4; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Section 4 of the annual budget report Table A5.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Section 4 of the annual budget report Table A6;
    - 1.2.2. Budgeted Cash Flows as contained in Section 4 of the annual budget report Table A7;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Section 4 of the annual budget report Table A8;
    - 1.2.4. Asset management as contained in Section 4 of the annual budget report Table A9; and
    - 1.2.5. Basic service delivery measurement as contained in Section 4 of the annual budget report Table A10.
2. The Council of Laingsburg municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with affect from 1 July 2016 the tariffs for property rates; electricity-; water-; sanitation-; solid waste services and other services charges as set out in Annexure A.

## Section 3 - Executive Summary

### 3.1 Legal Compliance

The budget process followed and this document is in line with the following:

- MFMA Circulars
- Municipal Finance Management Act
- Dummy Budget
- Latest A1 schedules version 2.8

### 3.2 Budget Overview

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The main challenges experienced during the compilation of the 2011/12 MTREF can be summarized as follows:

- The ongoing difficulty of the national and local economy
- Limited funds to contribute to capital budget
- Old infrastructure putting pressure on the operating budget.
- Poor community and the limited revenue base
- Expenditure increasing with more than CPI-X while tariff increases are limited.

The following table is a consolidated overview of the proposed 2016/17 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview**

Description	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Operating Revenue	78,695	82,688	88,232
Operating Expenditure	95,598	100,949	107,423
Surplus / Deficit	-16,903	-18,261	-19,191
Capital Expenditure	14,703	11,023	8,836

The total operating revenue has increased by 20.6% to R78.7 million in the 2016/17 financial year when compared to the 2015/16 Adjustment Budget.

Total operating expenditure for the 2016/17 financial year has been appropriated at R 95.6 million, resulting in an operating budgeted deficit of R16.9 million. This amount however includes non-cash items.

The capital budget of R 14.7 million for 2016/17 is 59.4% less when compared to the 2015/16 Adjustment Budget. The capital budget will be funded from Conditional Grants as well as the Capital Replacement Fund. The Capital Replacement Funds will contribute R1.54 million of the capital expenditure and no borrowings will be taken up.

### 3.3 Operating Revenue Framework

For Laingsburg to improve the quality of services to its community, it needs to generate the required revenue to fund the cost of delivering the services as anticipated. In these tough economic times strong revenue management is fundamental to the financial sustainability of this municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures, such as employee cost against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipal area and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

**Table 2 - Summary of revenue classified by main revenue source**

WC051 Laingsburg - Table A4 Budgeted Financial Performance (revenue and expenditure)

WC031 Laingsburg - Table A4 Budgeted Financial Performance (revenue and expenditure)									2016/17 Medium Term Revenue & Expenditure Framework		
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				Budget Year	Budget Year	Budget Year
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	2016/17	+1 2017/18	+2 2018/19
Revenue By Source											
Property rates	2	2,118	2,615	2,794	2,875	3,630	3,630	–	3,870	4,110	4,352
Property rates - penalties & collection charges		194	173	246	126	126	126	–	134	142	151
Service charges - electricity revenue	2	7,835	9,020	9,443	11,316	10,584	10,584	–	11,367	12,071	12,784
Service charges - water revenue	2	(64)	(318)	1,379	894	810	810	–	2,786	2,959	3,133
Service charges - sanitation revenue	2	815	877	866	1,328	934	934	–	2,303	2,446	2,590
Service charges - refuse revenue	2	778	881	844	1,133	819	819	–	1,991	2,115	2,239
Service charges - other		88	118	80	67	69	69	–	73	77	82
Rental of facilities and equipment		910	1,121	1,275	887	885	885	–	812	863	914
Interest earned - external investments		659	557	856	652	850	850	–	906	962	1,019
Interest earned - outstanding debtors		202	236	245	175	200	200	–	213	226	240
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		2,325	17,121	28,433	27,530	23,240	23,240	–	36,737	39,014	41,316
Licences and permits		860	887	1,115	252	256	256	–	273	290	307
Agency services		102	120	84	105	100	100	–	107	113	120
Transfers recognised - operational		14,382	16,628	18,180	17,169	18,922	18,922	–	16,793	16,948	18,613
Other revenue	2	988	536	769	381	311	311	–	331	351	372
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		32,193	50,572	66,607	64,889	61,736	61,736	–	78,695	82,688	88,232

Revenue generated from rates and services charges do not form a significant percentage of the revenue basket of the Municipality. Rates and service charge revenues comprise only 28% of the total revenue mix which is significantly lower when compared to other municipalities.

Fines is the largest contributor of the operating revenue budget amounting to 47% which is not a very healthy ratio. Furthermore the largest portion is not actual revenue, but debt impairment. Laingsburg is located on the N1 of which two fixed average speeding cameras are situated which contribute to the significant projected amount.

Operating grants and transfers represent R16.79 million in the 2016/17 financial year which contributes to 21% of the total revenue. This amount and the amounts for the outer years are minimum guaranteed transfers from National Government as gazette in the latest DoRB and the Provincial Gazette. The aforementioned amount has a direct link to expenditure on operational grants, and is only recognized as revenue when the conditions of the transfers made has been met. It might differ from the grants received.

The following table gives a breakdown of the various capital grants and subsidies allocated to the municipality over the medium term as proclaimed in the government gazette:

**Table 3 Operating Transfers and Grant Receipts**

WC051 Laingsburg - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		12,752	14,586	13,929	15,973	15,973	15,973	15,567	15,493	17,076
Local Government Equitable Share		9,536	10,224	9,294	12,015	12,015	12,015	12,526	13,360	14,178
Municipal Systems Improvement		782	839	934	930	930	930	-	-	760
Finance Management		1,490	1,500	1,700	1,700	1,700	1,700	1,725	1,800	1,800
EPWP Incentive		944	1,000	1,147	1,000	1,000	1,000	1,000	-	-
GRANT KICK-ABOUT		-	1,023	854	-	-	-	-	-	-
Grant - Energy Efficiency and Demand Management		-	-	-	-	-	-	-	-	-
MIG - PMU		-	-	-	328	328	328	316	333	338
Provincial Government:		1,036	1,255	2,797	1,196	2,949	2,949	1,226	1,455	1,537
GRANT - WC FIN MANGMNT CAPACITY BUILDING		-	192	375	-	-	-	120	240	360
WCFMSG		-	-	500	-	1,771	1,771	-	-	-
FIN ASSISTNC for MAINTENANCE and CON		33	17	10	30	24	24	50	-	-
GRANT - COMMUNITY WORK (LOCAL GOV		203	78	-	72	72	72	75	75	75
GRANT - SETA TRAINING		23	25	39	42	30	30	-	-	-
GRANT - MFIP		-	63	896	-	-	-	-	-	-
GRANT - LIBRARY SERVICES ( REPLCMNT FUN		560	663	579	306	306	306	981	1,040	1,102
Grant - Thusong Services Centres (Sustainability)		218	218	-	-	-	-	-	100	-
GRANT - DEPT CULTURE & SPORT UNC		-	-	328	656	656	656	-	-	-
MIG - PMU		-	-	70	90	90	90	-	-	-
<b>Total Operating Transfers and Grants</b>	5	13,788	15,842	16,727	17,169	18,922	18,922	16,793	16,948	18,613
<b>Capital Transfers and Grants</b>										
National Government:		8,194	-	2,536	-	1,000	1,000	7,999	15,330	8,428
Municipal Infrastructure Grant (MIG)		8,194	-	-	-	-	-	6,000	6,330	6,428
GRANT - INEP ELEC MATJIES		-	-	-	-	-	-	-	5,000	-
GRANT - INEP ELEC		-	-	2,536	-	1,000	1,000	1,999	4,000	2,000
Other capital transfers/grants [insert desc]										
Provincial Government:		1,510	12,163	17,165	27,082	31,762	31,762	160	-	-
GRANT - HUMAN SETTLEMENTS		1,510	12,163	17,165	27,082	31,762	31,762	160	-	-
<b>Total Capital Transfers and Grants</b>	5	9,704	12,163	19,701	27,082	32,762	32,762	8,159	15,330	8,428
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		23,492	28,004	36,428	44,251	51,684	51,684	24,952	32,278	27,041

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the upper limit (ceiling) of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases in Eskom bulk tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impacts it have on the municipality's electricity tariffs are largely beyond the control of the Municipality. By not discounting the impact of these price increases in consumer tariffs, it will erode the Municipality's future financial position and viability. Furthermore the municipality is currently

levied on rural tariffs and pays penalty charges during the winter months which adds to the burden of the municipality and impacts negatively on the surplus.

The municipality will review its tariff structures in the future and advice a way forward to council to ensure that services yields surpluses which will improve the sustainability of the municipality.

For the 2016/17 financial year, the proposed tariffs are as follows:

The proposed tariff increases are set at:

- Property rates - 9.3 %
- Electricity - As per the NERSA approved tariff
- Water (units) - 8.5%
- Refuse Removal - 9.8%
- Sewerage - 8 %

### **Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on income range middle and affordable households, as well as an indigent household receiving free basic services.

**Table 5– Household bills**

WC051 Laingsburg - Supporting Table SA14 Household bills

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
Rates and services charges:											
Property rates		409.50	442.26	460.83	501.67	501.67	501.67	9.3%	548.33	583.33	618.33
Electricity: Basic levy		268.25	303.10	320.17	327.55	327.55	327.55	7.6%	352.57	374.40	396.50
Electricity: Consumption		958.00	1,082.44	1,143.40	1,280.00	1,280.00	1,280.00	7.6%	1,377.80	1,463.00	1,549.00
Water: Basic levy		65.95	73.86	82.70	91.00	91.00	91.00	10.0%	100.10	106.30	112.60
Water: Consumption		48.00	52.32	68.40	93.30	3.11	3.11	8.3%	101.10	108.00	114.00
Sanitation		80.00	86.40	93.30	100.80	100.80	100.80	8.0%	108.90	115.70	122.50
Refuse removal		60.00	64.80	70.00	75.60	75.60	75.60	9.8%	83.00	88.10	93.30
Other		–	–	–	–	–	–	–	–	–	–
sub-total		1,889.70	2,105.18	2,238.80	2,469.92	2,379.73	2,379.73	8.2%	2,671.80	2,838.83	3,006.23
VAT on Services		207.23	232.81	248.92	275.56	262.93	262.93	7.0%	297.29	315.77	334.31
Total large household bill:		2,096.93	2,337.99	2,487.72	2,745.48	2,642.66	2,642.66	8.1%	2,969.09	3,154.60	3,340.54
% increase/-decrease			11.5%	6.4%	10.4%	(3.7%)	–		12.4%	6.2%	5.9%
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
Rates and services charges:											
Property rates		292.50	315.90	329.17	358.33	358.33	358.33	9.3%	391.67	416.67	441.67
Electricity: Basic levy		136.90	154.68	168.62	120.66	120.66	120.66	7.6%	203.64	216.30	229.10
Electricity: Consumption		479.00	541.22	571.70	640.00	640.00	640.00	7.6%	688.90	731.50	774.50
Water: Basic levy		65.95	73.86	82.70	91.00	91.00	91.00	10.0%	100.10	106.30	112.60
Water: Consumption		36.00	39.24	54.15	77.75	77.75	77.75	8.3%	84.25	90.00	95.00
Sanitation		80.00	86.40	93.30	100.80	100.80	100.80	8.0%	108.90	115.70	122.50
Refuse removal		60.00	64.80	70.00	75.60	75.60	75.60	9.8%	83.00	88.10	93.30
Other		–	–	–	–	–	–	–	–	–	–
sub-total		1,150.35	1,276.11	1,369.64	1,464.14	1,464.14	1,464.14	13.4%	1,660.46	1,764.57	1,868.67
VAT on Services		120.10	134.43	145.67	154.81	154.81	154.81	7.0%	177.63	188.71	199.78
Total small household bill:		1,270.45	1,410.54	1,515.31	1,618.95	1,618.95	1,618.95	13.5%	1,838.09	1,953.28	2,068.45
% increase/-decrease			11.0%	7.4%	6.8%	–	–		13.5%	6.3%	5.9%
<b>Monthly Account for Household - 'Indigent'</b>	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		175.50	189.54	197.50	215.00	215.00	215.00	9.3%	235.00	250.00	265.00
Electricity: Basic levy		–	–	–	–	–	–	7.6%	–	–	–
Electricity: Consumption		367.50	415.24	375.97	466.06	466.06	466.06	7.6%	501.67	532.70	564.20
Water: Basic levy		65.95	73.86	82.70	91.00	91.00	91.00	10.0%	100.10	106.30	112.60
Water: Consumption		24.00	26.16	39.90	62.20	62.20	62.20	8.3%	67.40	72.00	76.00
Sanitation		80.00	86.40	93.30	100.80	100.80	100.80	8.0%	108.90	115.70	122.50
Refuse removal		60.00	64.80	70.00	75.60	75.60	75.60	9.8%	83.00	88.10	93.30
Other		(229.95)	(251.22)	(285.90)	(352.64)	(352.64)	(352.64)	–	(383.89)	(407.80)	(431.80)
sub-total		543.00	604.78	573.47	658.02	658.02	658.02	8.2%	712.18	757.00	801.80
VAT on Services		51.45	58.13	52.64	62.02	62.02	62.02	7.0%	66.81	70.98	75.15
Total small household bill:		594.45	662.91	626.11	720.04	720.04	720.04	8.2%	778.99	827.98	876.95
% increase/-decrease			11.5%	(5.6%)	15.0%	–	–		8.2%	6.3%	5.9%

### 3.4 Operating Expenditure Framework

The following table is a high level summary of the 2016/17 budget and MTREF (classified per main type of operating expenditure):

**Table 6 - Summary of operating expenditure by standard classification item**

WC051 Laingsburg - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Expenditure By Type</b>											
Employee related costs	2	9,481	10,181	12,930	17,096	17,568	17,568	–	20,664	22,152	23,680
Remuneration of councillors		2,079	2,201	2,220	2,453	2,453	2,453	–	2,619	2,807	3,001
Debt impairment	3	218	12,325	19,976	21,682	21,682	21,682	–	25,424	27,253	29,131
Depreciation & asset impairment	2	7,939	7,799	7,743	9,669	9,679	9,679	–	8,904	9,456	10,014
Finance charges		392	473	231	–	–	–	–	–	–	–
Bulk purchases	2	5,677	6,648	6,573	6,523	8,000	8,000	–	8,713	9,253	9,799
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		2,383	3,003	3,210	2,976	4,321	4,321	–	7,765	8,246	8,732
Transfers and grants		3,572	1,324	2,617	4,231	4,276	4,276	–	4,559	4,842	5,127
Other expenditure	4, 5	13,470	13,620	16,440	12,906	17,914	17,914	–	16,950	16,939	17,939
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>45,211</b>	<b>57,574</b>	<b>71,940</b>	<b>77,536</b>	<b>85,894</b>	<b>85,894</b>	<b>–</b>	<b>95,598</b>	<b>100,949</b>	<b>107,423</b>

The budgeted allocation for employee related costs for the 2016/17 financial year totals to R20.66 million, which represents 22% of the total expenditure budget. Salaries and wages has been provided at an increment of 7.6% and a provision of an average increment of 10% will be provided for employee related costs: social contributions.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision for debt impairment was determined based on an annual collection rate of 95 % on rates and service charges. The large amount is mainly contributed to the impairment in fines.

Provision for depreciation and asset impairment has been informed by the asset register and proposed capital budget. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R8.9 million for the 2016/17 financial year and represent 9% of the total operating expenditure.

Bulk purchases are directly influenced by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly impacting the revenue provisions. Bulk purchases represent 9% (R8.7 million) of operating expenditure for the 2016/17 financial year.

Other expenditure comprises of various line items relating to the daily operations of the municipality; as example the operational expenditure on grants and subsidies, repairs and maintenance and other services. Growth on line items other than those linked to grant expenditure has been limited. Further details relating to other expenditure can be seen in Table SA1.



## Repairs and maintenance

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance are not considered a direct expenditure but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. At current the Municipality cannot report on the outcome of the different cost drivers combined to Repairs and maintenance. The table below provides a breakdown of the repairs and maintenance in relation to asset class and reflects only purchase of materials and some contracted services.

**Table 7 - Repairs and maintenance per asset class**

WC051 Laingsburg - Supporting Table SA34c Repairs and maintenance expenditure by asset class

WC051 Eangsong - Supporting Table A3A4: Repairs and maintenance expenditure by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		463	430	451	595	858	858	915	971	1,029
Infrastructure - Road transport		316	79	197	184	184	184	197	209	221
Roads, Pavements & Bridges		128	70	197	173	173	173	184	196	207
Storm water		188	9	-	12	12	12	13	13	14
Infrastructure - Electricity		18	52	98	85	85	85	91	96	102
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		18	52	98	85	85	85	91	96	102
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		108	283	139	248	248	248	264	280	297
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		108	283	139	248	248	248	264	280	297
Infrastructure - Sanitation		13	12	10	41	303	303	323	343	364
Reticulation		6	10	8	18	280	280	299	317	336
Sewerage purification		8	2	1	23	23	23	25	26	28
Infrastructure - Other		8	5	8	37	37	37	40	42	45
Waste Management		8	5	8	37	37	37	40	42	45
Community		1	3	67	10	10	10	11	12	12
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		1	-	-	5	5	5	5	5	6
Libraries		-	3	67	6	6	6	6	6	7
Investment properties		-	2	146	35	35	35	37	40	42
Housing development		-	2	146	35	35	35	37	40	42
Other		-	-	-	-	-	-	-	-	-
Other assets		1,284	1,049	1,210	1,764	2,285	2,285	2,436	2,587	2,740
General vehicles		330	406	490	642	642	642	684	726	769
Plant & equipment		325	230	246	448	678	678	723	768	813
Furniture and other office equipment		629	414	472	668	959	959	1,023	1,086	1,150
Other Buildings		-	-	1	6	6	6	6	7	7
Total Repairs and Maintenance Expenditure	1	1,748	1,485	1,874	2,405	3,188	3,188	3,399	3,610	3,823

The municipality's current Repairs and Maintenance is below the norm however the amount increases over the MTREF.

## Grant Expenditure

The following table is the expenditure on the grant receipts as required by the MBRR. The bulk of this expenditure is under other expenditure of A4.

WC051 Laingsburg - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>EXPENDITURE:</b>	<b>1</b>									
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		12,752	14,586	13,929	15,973	15,973	15,973	15,567	15,493	17,076
Local Government Equitable Share		9,536	10,224	9,294	12,015	12,015	12,015	12,526	13,360	14,178
Municipal Systems Improvement		782	839	934	930	930	930	-	-	760
Finance Management		1,490	1,500	1,700	1,700	1,700	1,700	1,725	1,800	1,800
EPWP Incentive		944	1,000	1,147	1,000	1,000	1,000	1,000	-	-
GRANT KICK-ABOUT		-	1,023	854	-	-	-	-	-	-
Grant - Energy Efficiency and Demand Management		-	-	-	-	-	-	-	-	-
MIG - PMU		-	-	-	328	328	328	316	333	338
Provincial Government:		1,036	1,255	2,797	1,196	2,949	2,949	1,226	1,455	1,537
GRANT - WC FIN MANGMNT CAPACITY BUILDING		-	192	375	-	-	-	120	240	360
WCFMSG		-	-	500	-	1,771	1,771	-	-	-
FIN ASSISTNC for MAINTENANCE and CONSTRUCTION		33	17	10	30	24	24	50	-	-
GRANT - COMMUNITY WORK (LOCAL GOV)		203	78	-	72	72	72	75	75	75
GRANT - SETA TRAINING		23	25	39	42	30	30	-	-	-
GRANT - MFIP		-	63	896	-	-	-	-	-	-
GRANT - LIBRARY SERVICES ( REPLCMNT FUNDING)		560	663	579	306	306	306	981	1,040	1,102
Grant - Thusong Services Centres (Sustainability)		218	218	-	-	-	-	-	100	-
GRANT - DEPT CULTURE & SPORT UNC		-	-	328	656	656	656	-	-	-
MIG - PMU		-	-	70	90	90	90	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants</b>		<b>13,788</b>	<b>15,842</b>	<b>16,727</b>	<b>17,169</b>	<b>18,922</b>	<b>18,922</b>	<b>16,793</b>	<b>16,948</b>	<b>18,613</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		8,194	-	2,536	-	1,000	1,000	7,999	15,330	8,428
Municipal Infrastructure Grant (MIG)		8,194	-	-	-	-	-	6,000	6,330	6,428
GRANT - INEP ELEC MATJIES		-	-	-	-	-	-	-	5,000	-
GRANT - INEP ELEC		-	-	2,536	-	1,000	1,000	1,999	4,000	2,000
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
Provincial Government:		1,510	12,163	17,165	27,082	31,762	31,762	160	-	-
GRANT - HUMAN SETTLEMENTS		1,510	12,163	17,165	27,082	31,762	31,762	160	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		<b>9,704</b>	<b>12,163</b>	<b>19,701</b>	<b>27,082</b>	<b>32,762</b>	<b>32,762</b>	<b>8,159</b>	<b>15,330</b>	<b>8,428</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>23,492</b>	<b>28,004</b>	<b>36,428</b>	<b>44,251</b>	<b>51,684</b>	<b>51,684</b>	<b>24,952</b>	<b>32,278</b>	<b>27,041</b>

## Transfers and Grants made by the municipality

WC051 Laingsburg - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
<u>Cash Transfers to other municipalities</u>											
<u>Cash Transfers to Groups of Individuals</u>											
<i>Cash transfers and grants</i>		423	552	515	544	589	589	-	628	667	707
Total Cash Transfers To Groups Of Individuals:		423	552	515	544	589	589	-	628	667	707
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>6</b>	<b>423</b>	<b>552</b>	<b>515</b>	<b>544</b>	<b>589</b>	<b>589</b>	<b>-</b>	<b>628</b>	<b>667</b>	<b>707</b>
<u>Non-Cash Transfers to other municipalities</u>											
<u>Groups of Individuals</u>											
<i>Non-cash transfers and grants</i>	<b>5</b>	<b>3,150</b>	<b>771</b>	<b>2,102</b>	<b>3,687</b>	<b>3,687</b>	<b>3,687</b>	<b>-</b>	<b>3,931</b>	<b>4,174</b>	<b>4,421</b>
Total Non-Cash Grants To Groups Of Individuals:		3,150	771	2,102	3,687	3,687	3,687	-	3,931	4,174	4,421
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		<b>3,150</b>	<b>771</b>	<b>2,102</b>	<b>3,687</b>	<b>3,687</b>	<b>3,687</b>	<b>-</b>	<b>3,931</b>	<b>4,174</b>	<b>4,421</b>
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>6</b>	<b>3,572</b>	<b>1,324</b>	<b>2,617</b>	<b>4,231</b>	<b>4,276</b>	<b>4,276</b>	<b>-</b>	<b>4,559</b>	<b>4,842</b>	<b>5,127</b>

## 3.5 Capital expenditure

The table below provides a breakdown of budgeted capital expenditure by vote.

### Table 8 - Capital budget per vote

WC051 Laingsburg - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
<u>Single-year expenditure to be appropriated</u>	<b>2</b>										
Vote 1 - MAYORAL & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER	1	225	347	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES	32	15	352	196	266	266	266	266	543	113	13
Vote 4 - BUDGET & TREASURY	316	-	525	20	25	25	25	25	40	30	30
Vote 5 - PLANNING AND DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV	12	-	35	1,726	804	804	804	804	1,580	80	80
Vote 7 - SPORTS AND RECREATION	154	1,848	1,173	581	581	581	581	581	429	-	-
Vote 8 - HOUSING	182	-	8,601	14,520	19,200	19,200	19,200	19,200	160	-	-
Vote 9 - PUBLIC SAFETY	-	-	-	675	1,029	1,029	1,029	1,029	-	-	-
Vote 10 - ROAD TRANSPORT	473	1,878	6,139	2,575	4,941	4,941	4,941	4,941	430	620	35
Vote 11 - WASTE MANAGEMENT	-	-	1,187	-	-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT	7,175	5,948	1,006	1,868	445	445	445	445	3,150	1,133	150
Vote 13 - WATER	1,532	223	620	258	905	905	905	905	6,371	5,047	6,528
Vote 14 - ELECTRICITY	303	100	2,047	6,000	8,000	8,000	8,000	8,000	2,000	4,000	2,000
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		10,181	10,238	22,032	28,419	36,196	36,196	36,196	14,703	11,023	8,836
<b>Total Capital Expenditure - Vote</b>		<b>10,181</b>	<b>10,238</b>	<b>22,032</b>	<b>28,419</b>	<b>36,196</b>	<b>36,196</b>	<b>36,196</b>	<b>14,703</b>	<b>11,023</b>	<b>8,836</b>

The table below provides a breakdown of budgeted capital expenditure per asset class.

**Table 9 - Capital budget per asset class**

WC051 Laingsburg - Supporting Table SA34a Capital expenditure on new assets by asset class

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			9,484	8,149	10,999	10,701	14,291	14,291	13,021	10,560	8,658
Infrastructure - Road transport			473	1,878	6,139	2,575	4,941	4,941	-	-	-
Roads, Pavements & Bridges			473	1,878	6,139	2,575	4,941	4,941	-	-	-
Storm water			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			303	100	2,047	6,000	8,000	8,000	2,000	4,400	2,000
Generation			-	-	-	-	-	-	2,000	4,000	2,000
Transmission & Reticulation			303	100	2,047	6,000	8,000	8,000	-	-	-
Street Lighting			-	-	-	-	-	-	-	400	-
Infrastructure - Water			1,532	223	620	258	905	905	6,271	4,947	6,428
Dams & Reservoirs			-	-	-	-	-	-	6,271	4,947	6,428
Water purification			-	-	-	-	-	-	-	-	-
Reticulation			1,532	223	620	258	905	905	-	-	-
Infrastructure - Sanitation			7,175	5,948	1,006	1,868	445	445	3,150	1,133	150
Reticulation			-	-	-	-	-	-	-	-	-
Sewerage purification			7,175	5,948	1,006	1,868	445	445	3,150	1,133	150
Infrastructure - Other			-	-	1,187	-	-	-	1,600	80	80
Other		3	-	-	-	-	-	-	1,600	80	80
Community			348	1,848	9,809	16,828	20,785	20,785	429	-	-
Parks & gardens			-	-	-	-	-	-	-	-	-
Sportsfields & stadia			-	-	-	-	-	-	429	-	-
Recreational facilities			154	1,848	1,173	581	581	581	-	-	-
Fire, safety & emergency			-	-	-	-	200	200	-	-	-
Other			194	-	8,636	16,246	20,004	20,004	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings			-	-	-	-	-	-	-	-	-
Other		9	-	-	-	-	-	-	-	-	-
Investment properties			(0)	(0)	-	0	0	0	160	-	-
Housing development			(0)	(0)	-	0	0	0	160	-	-
Other			-	-	-	-	-	-	-	-	-
Other assets			349	240	1,224	416	844	644	1,093	463	178
General vehicles			-	-	-	-	1	1	300	-	-
Specialised vehicles			-	-	-	200	200	-	-	-	-
Plant & equipment			-	-	-	-	-	-	553	333	148
Computers - hardware/equipment			-	-	-	-	352	352	-	-	-
Furniture and other office equipment			-	-	-	-	-	-	240	130	30
Other			349	240	1,224	216	291	291	-	-	-
Total Capital Expenditure on new assets		1	10,181	10,238	22,032	27,944	35,920	35,720	14,703	11,023	8,836

For 2016/17 an amount of R 13.0 million has been appropriated for the development of infrastructure which represents 78.9% of the total capital budget.

Further detail relating to asset classes and proposed capital expenditure is contained in Table A9 (Asset Management) whilst Tables SA34a, SA34c, SA34d provides a detailed breakdown of the capital program relating to new asset construction, capital asset renewal, operational repairs and maintenance and depreciation charges by asset class.

The table below provides a breakdown of budgeted capital expenditure by funding source.

<b>Funded by:</b>												
National Government		5,982	10,142	21,824	27,878	35,715	35,715	35,715	13,160	10,330	8,428	
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	5,982	10,142	21,824	27,878	35,715	35,715	35,715	13,160	10,330	8,428	
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		4,198	96	208	541	481	481	481	1,543	693	408	
<b>Total Capital Funding</b>	<b>7</b>	<b>10,181</b>	<b>10,238</b>	<b>22,032</b>	<b>28,419</b>	<b>36,196</b>	<b>36,196</b>	<b>36,196</b>	<b>14,703</b>	<b>11,023</b>	<b>8,836</b>	

## Section 4 - Annual Budget Tables

Section 4 presents the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/17 budget and MTREF as tabled to Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table A1 - Budget Summary**

WC051 Laingsburg - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	2,312	2,787	3,040	3,000	3,756	3,756	–	4,004	4,252	4,503
Service charges	9,453	10,578	12,612	14,738	13,216	13,216	–	14,595	15,985	16,962
Investment revenue	659	557	856	652	850	850	–	906	962	1,019
Transfers recognised - operational	14,382	16,628	18,180	17,169	18,922	18,922	–	16,793	16,948	18,613
Other own revenue	5,387	20,022	31,920	29,330	24,992	24,992	–	38,473	40,858	43,268
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>32,193</b>	<b>50,572</b>	<b>66,607</b>	<b>64,889</b>	<b>61,736</b>	<b>61,736</b>	<b>–</b>	<b>74,770</b>	<b>79,005</b>	<b>84,366</b>
Employee costs	9,481	10,181	12,930	17,096	17,568	17,568	–	20,664	22,152	23,680
Remuneration of councillors	2,079	2,201	2,220	2,453	2,453	2,453	–	2,619	2,807	3,001
Depreciation & asset impairment	7,939	7,799	7,743	9,669	9,679	9,679	–	8,904	9,456	10,014
Finance charges	392	473	231	–	–	–	–	–	–	–
Materials and bulk purchases	5,677	6,648	6,573	6,523	8,000	8,000	–	8,713	9,253	9,799
Transfers and grants	3,572	1,324	2,617	4,231	4,276	4,276	–	4,559	4,842	5,127
Other expenditure	16,070	28,947	39,626	37,564	43,917	43,917	–	50,139	52,438	55,802
<b>Total Expenditure</b>	<b>45,211</b>	<b>57,574</b>	<b>71,940</b>	<b>77,536</b>	<b>85,894</b>	<b>85,894</b>	<b>–</b>	<b>95,598</b>	<b>100,949</b>	<b>107,423</b>
<b>Surplus/(Deficit)</b>	<b>(13,019)</b>	<b>(7,002)</b>	<b>(5,333)</b>	<b>(12,647)</b>	<b>(24,158)</b>	<b>(24,158)</b>	<b>–</b>	<b>(20,828)</b>	<b>(21,944)</b>	<b>(23,057)</b>
Transfers recognised - capital	9,999	12,414	19,701	27,082	32,762	32,762	–	8,159	15,330	8,428
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(3,020)</b>	<b>5,412</b>	<b>14,368</b>	<b>14,435</b>	<b>8,604</b>	<b>8,604</b>	<b>–</b>	<b>(12,669)</b>	<b>(6,614)</b>	<b>(14,629)</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>(3,020)</b>	<b>5,412</b>	<b>14,368</b>	<b>14,435</b>	<b>8,604</b>	<b>8,604</b>	<b>–</b>	<b>(12,669)</b>	<b>(6,614)</b>	<b>(14,629)</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	10,181	10,238	22,032	28,419	36,196	36,196	36,196	14,703	11,023	8,836
Transfers recognised - capital	5,982	10,142	21,824	27,878	35,715	35,715	35,715	13,160	10,330	8,428
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	4,198	96	208	541	481	481	481	1,543	693	408
<b>Total sources of capital funds</b>	<b>10,181</b>	<b>10,238</b>	<b>22,032</b>	<b>28,419</b>	<b>36,196</b>	<b>36,196</b>	<b>36,196</b>	<b>14,703</b>	<b>11,023</b>	<b>8,836</b>
<b>Financial position</b>										
Total current assets	13,322	18,711	29,161	21,575	25,147	25,147	–	14,727	13,974	8,716
Total non current assets	152,008	152,413	166,668	171,682	171,682	171,682	–	177,418	178,922	177,681
Total current liabilities	7,208	7,003	13,133	8,219	8,219	8,219	–	5,975	6,174	6,533
Total non current liabilities	8,351	6,872	8,225	8,322	8,322	8,322	–	8,905	9,515	10,162
Community wealth/Equity	149,771	157,249	174,471	176,716	176,899	176,899	–	179,859	172,665	166,031
<b>Cash flows</b>										
Net cash from (used) operating	36,713	36,713	–	3,243	9,158	2,395	–	3,243	9,158	2,395
Net cash from (used) investing	(36,189)	(36,189)	–	(14,703)	(11,023)	(8,836)	–	(14,703)	(11,023)	(8,836)
Net cash from (used) financing	(89)	(89)	–	24	25	25	–	24	25	25
Cash/cash equivalents at the year end	15,193	15,193	14,758	3,757	1,917	(4,499)	14,758	3,757	1,917	(4,499)
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	7,960	8,317	14,758	15,010	15,193	15,193	–	3,757	1,917	(4,499)
Application of cash and investments	4,557	5,362	14,562	5,830	2,300	1,852	–	1,520	1,674	1,185
Balance - surplus (shortfall)	3,403	2,955	196	9,180	12,893	13,341	–	2,237	243	(5,683)
<b>Asset management</b>										
Asset register summary (WDV)	5,142	4,827	5,226	8,217	8,217	8,217	8,155	8,155	8,092	8,030
Depreciation & asset impairment	7,939	7,799	7,743	9,669	9,679	9,679	8,904	8,904	9,456	10,014
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	1,748	1,485	1,874	2,405	3,188	3,188	3,399	3,399	3,610	3,823
<b>Free services</b>										
Cost of Free Basic Services provided	2,481	2,656	2,931	3,088	3,522	3,522	3,925	3,925	3,683	3,865
Revenue cost of free services provided	4,388	5,238	6,102	4,710	6,475	6,475	6,973	6,973	7,405	7,842
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

**Explanatory notes to Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of how the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget.  
The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is supposed to be positive over the MTREF.
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognized is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing in the Cash Flow Budget
    - iii. Internally generated funds are supposed to be financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The municipality's cash flow should remain positive. The cash flow is **indicating that there is limited cash resources** available to fund the Capital Budget and that the municipality is dependent on borrowing and Government Grants and Subsidies to finance future capital needs
    - iv. This scenario will remain a reality unless Council embarked on a process on building cash reserves which will have a direct impact on future tariffs and taxes to be levied.

**Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

WC051 Laingsburg - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		27,498	32,414	40,037	47,523	55,869	55,869	29,464	38,186	33,297
Executive and council		10,205	19,602	20,481	39,219	40,211	40,211	14,647	22,489	16,315
Budget and treasury office		14,188	8,699	8,102	5,134	7,655	7,655	12,272	13,068	13,549
Corporate services		3,105	4,113	11,454	3,171	8,003	8,003	2,545	2,629	3,434
<i>Community and public safety</i>		3,848	18,973	31,009	28,900	24,611	24,611	38,153	40,517	42,908
Community and social services		597	781	920	974	974	974	994	1,054	1,116
Sport and recreation		1	1	3	2	2	2	3	3	3
Public safety		3,237	18,180	29,723	27,913	23,623	23,623	37,145	39,448	41,775
Housing		12	11	363	11	11	11	12	12	13
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1,479	1,139	2,737	1,129	1,123	1,123	1,059	10	11
Planning and development		98	25	-	90	90	90	-	-	-
Road transport		1,381	1,115	2,737	1,039	1,033	1,033	1,059	10	11
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		11,847	13,116	15,456	17,507	16,417	16,417	18,178	19,305	20,444
Electricity		7,864	9,049	9,471	11,352	10,620	10,620	11,367	12,071	12,784
Water		852	673	2,361	2,078	2,053	2,053	2,746	2,916	3,088
Waste water management		1,627	1,749	1,895	2,106	2,083	2,083	2,117	2,249	2,381
Waste management		1,505	1,645	1,730	1,971	1,662	1,662	1,948	2,069	2,191
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	44,672	65,642	89,239	95,059	98,020	98,020	86,854	98,018	96,659
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		21,075	18,325	20,761	25,808	29,945	29,945	30,742	32,780	34,855
Executive and council		7,502	5,451	7,503	10,920	11,054	11,054	11,773	12,574	13,392
Budget and treasury office		6,071	7,667	8,141	7,695	10,664	10,664	10,063	10,728	11,406
Corporate services		7,502	5,207	5,116	7,193	8,227	8,227	8,907	9,478	10,057
<i>Community and public safety</i>		5,431	18,462	28,573	28,472	30,424	30,424	37,957	40,600	43,306
Community and social services		779	1,116	1,193	1,306	1,295	1,295	1,389	1,484	1,580
Sport and recreation		851	749	754	1,151	1,431	1,431	1,230	1,311	1,393
Public safety		3,540	16,229	26,441	25,828	27,510	27,510	35,148	37,604	40,119
Housing		261	368	186	188	188	188	190	202	214
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8,497	9,335	10,541	11,113	11,207	11,207	11,686	11,399	12,124
Planning and development		428	398	458	688	711	711	952	1,017	1,084
Road transport		8,070	8,937	10,082	10,425	10,497	10,497	10,734	10,381	11,040
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		10,208	11,452	12,066	12,143	14,318	14,318	15,212	16,170	17,138
Electricity		6,169	7,050	7,183	7,077	8,554	8,554	9,292	9,868	10,450
Water		1,589	1,755	1,775	2,172	2,276	2,276	2,454	2,613	2,775
Waste water management		1,154	1,413	1,676	1,505	2,092	2,092	2,013	2,140	2,268
Waste management		1,295	1,234	1,432	1,390	1,397	1,397	1,454	1,549	1,646
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	45,211	57,574	71,940	77,536	85,894	85,894	95,598	100,949	107,423
<b>Surplus/(Deficit) for the year</b>		(539)	8,068	17,298	17,523	12,126	12,126	(8,744)	(2,931)	(10,764)



**Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenue (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Executive and Council.

**Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

WC051 Laingsburg - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote		1									
Vote 1 - MAYORAL & COUNCIL			10,205	19,602	20,481	39,219	40,211	40,211	14,647	22,489	16,315
Vote 2 - MUNICIPAL MANAGER			—	—	—	—	—	—	—	—	—
Vote 3 - CORPORATE SERVICES			3,105	4,113	11,454	3,171	8,003	8,003	2,545	2,629	3,434
Vote 4 - BUDGET & TREASURY			14,188	8,699	8,102	5,134	7,655	7,655	12,272	13,068	13,549
Vote 5 - PLANNING AND DEVEOLPMENT			98	25	—	90	90	90	—	—	—
Vote 6 - COMMUNITY AND SOCIAL SERV			597	781	920	974	974	974	994	1,054	1,116
Vote 7 - SPORTS AND RECREATION			1	1	3	2	2	2	3	3	3
Vote 8 - HOUSING			12	11	363	11	11	11	12	12	13
Vote 9 - PUBLIC SAFETY			3,237	18,180	29,723	27,913	23,623	23,623	37,145	39,448	41,775
Vote 10 - ROAD TRANSPORT			1,381	1,115	2,737	1,039	1,033	1,033	1,059	10	11
Vote 11 - WASTE MANAGEMENT			1,505	1,645	1,730	1,971	1,662	1,662	1,948	2,069	2,191
Vote 12 - WASTE WATER MANAGEMENT			1,627	1,749	1,895	2,106	2,083	2,083	2,117	2,249	2,381
Vote 13 - WATER			852	673	2,361	2,078	2,053	2,053	2,746	2,916	3,088
Vote 14 - ELECTRICITY			7,864	9,049	9,471	11,352	10,620	10,620	11,367	12,071	12,784
Vote 15 - [NAME OF VOTE 15]			—	—	—	—	—	—	—	—	—
Total Revenue by Vote		2	44,672	65,642	89,239	95,059	98,020	98,020	86,854	98,018	96,659
Expenditure by Vote to be appropriated		1									
Vote 1 - MAYORAL & COUNCIL			1,921	(413)	2,692	4,903	7,365	7,365	5,373	5,744	6,124
Vote 2 - MUNICIPAL MANAGER			602	585	430	903	3,689	3,689	747	827	911
Vote 3 - CORPORATE SERVICES			7,527	4,197	4,085	5,841	8,227	8,227	7,022	7,476	7,937
Vote 4 - BUDGET & TREASURY			4,620	5,097	5,566	4,339	10,664	10,664	5,768	6,168	6,577
Vote 5 - PLANNING AND DEVEOLPMENT			549	545	644	911	711	711	1,236	1,319	1,404
Vote 6 - COMMUNITY AND SOCIAL SERV			1,028	1,276	1,339	1,527	1,295	1,295	1,597	1,704	1,813
Vote 7 - SPORTS AND RECREATION			1,125	1,249	1,183	1,583	1,431	1,431	1,672	1,780	1,890
Vote 8 - HOUSING			321	472	271	253	188	188	251	267	283
Vote 9 - PUBLIC SAFETY			4,491	17,190	27,652	27,257	27,510	27,510	38,134	40,776	43,478
Vote 10 - ROAD TRANSPORT			9,976	10,413	11,904	13,500	10,497	10,497	12,587	12,349	13,123
Vote 11 - WASTE MANAGEMENT			1,650	1,769	1,913	1,946	1,397	1,397	2,017	2,146	2,278
Vote 12 - WASTE WATER MANAGEMENT			1,730	2,049	2,196	2,064	2,092	2,092	2,705	2,874	3,046
Vote 13 - WATER			2,141	3,217	2,370	2,385	2,276	2,276	3,346	3,561	3,778
Vote 14 - ELECTRICITY			7,530	9,926	9,696	10,122	8,554	8,554	13,143	13,958	14,782
Vote 15 - [NAME OF VOTE 15]			—	—	—	—	—	—	—	—	—
Total Expenditure by Vote		2	45,211	57,574	71,940	77,536	85,894	85,894	95,598	100,949	107,423
Surplus/(Deficit) for the year		2	(539)	8,068	17,298	17,523	12,126	12,126	(8,744)	(2,931)	(10,764)

**Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by vote)**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.
2. This is the level at which Council will approve the budget in terms of Sect 24(2) (c) (iii).

**Table A4 - Budgeted Financial Performance (revenue and expenditure)**

WC051 Laingsburg - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Revenue By Source												
Property rates	2	2,118	2,615	2,794	2,875	3,630	3,630	–	3,870	4,110	4,352	
Property rates - penalties & collection charges		194	173	246	126	126	126	–	134	142	151	
Service charges - electricity revenue	2	7,835	9,020	9,443	11,316	10,584	10,584	–	11,367	12,071	12,784	
Service charges - water revenue	2	(64)	(318)	1,379	894	810	810	–	2,786	2,959	3,133	
Service charges - sanitation revenue	2	815	877	866	1,328	934	934	–	2,303	2,446	2,590	
Service charges - refuse revenue	2	778	881	844	1,133	819	819	–	1,991	2,115	2,239	
Service charges - other		88	118	80	67	69	69	–	73	77	82	
Rental of facilities and equipment		910	1,121	1,275	887	885	885	–	812	863	914	
Interest earned - external investments		659	557	856	652	850	850	–	906	962	1,019	
Interest earned - outstanding debtors		202	236	245	175	200	200	–	213	226	240	
Dividends received		–	–	–	–	–	–	–	–	–	–	
Fines		2,325	17,121	28,433	27,530	23,240	23,240	–	36,737	39,014	41,316	
Licences and permits		860	887	1,115	252	256	256	–	273	290	307	
Agency services		102	120	84	105	100	100	–	107	113	120	
Transfers recognised - operational		14,382	16,628	18,180	17,169	18,922	18,922	–	16,793	16,948	18,613	
Other revenue	2	988	536	769	381	311	311	–	331	351	372	
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	
Total Revenue (excluding capital transfers and contributions)		32,193	50,572	66,607	64,889	61,736	61,736	–	78,695	82,688	88,232	
Expenditure By Type												
Employee related costs	2	9,481	10,181	12,930	17,096	17,568	17,568	–	20,664	22,152	23,680	
Remuneration of councillors		2,079	2,201	2,220	2,453	2,453	2,453	–	2,619	2,807	3,001	
Debt impairment	3	218	12,325	19,976	21,682	21,682	21,682	–	25,424	27,253	29,131	
Depreciation & asset impairment	2	7,939	7,799	7,743	9,669	9,679	9,679	–	8,904	9,456	10,014	
Finance charges		392	473	231	–	–	–	–	–	–	–	
Bulk purchases	2	5,677	6,648	6,573	6,523	8,000	8,000	–	8,713	9,253	9,799	
Other materials	8	–	–	–	–	–	–	–	–	–	–	
Contracted services		2,383	3,003	3,210	2,976	4,321	4,321	–	7,765	8,246	8,732	
Transfers and grants		3,572	1,324	2,617	4,231	4,276	4,276	–	4,559	4,842	5,127	
Other expenditure	4, 5	13,470	13,620	16,440	12,906	17,914	17,914	–	16,950	16,939	17,939	
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	
Total Expenditure		45,211	57,574	71,940	77,536	85,894	85,894	–	95,598	100,949	107,423	
Surplus/(Deficit)												
Transfers recognised - capital		(13,019)	(7,002)	(5,333)	(12,647)	(24,158)	(24,158)	–	(16,903)	(18,261)	(19,191)	
Contributions recognised - capital		9,999	12,414	19,701	27,082	32,762	32,762	–	8,159	15,330	8,428	
Contributed assets		–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) after capital transfers & contributions		(3,020)	5,412	14,368	14,435	8,604	8,604	–	(8,744)	(2,931)	(10,764)	
Taxation		–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) after taxation		(3,020)	5,412	14,368	14,435	8,604	8,604	–	(8,744)	(2,931)	(10,764)	
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) attributable to municipality		(3,020)	5,412	14,368	14,435	8,604	8,604	–	(8,744)	(2,931)	(10,764)	
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) for the year		(3,020)	5,412	14,368	14,435	8,604	8,604	–	(8,744)	(2,931)	(10,764)	

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue amounted to R 78.13 million for 2016/17.
2. Revenue to be generated from property rates is R 3.87 million in the 2016/17 financial year which represents 5% of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes to R18.44 million for the 2016/17 financial year and reflecting 23.2 % of the total revenue base.
4. Transfers of operating grants recognized, includes the local government equitable share and other operating grants received from national and provincial government. This revenue only realizing after preset conditions were met. It needs to be noted that the transfers recognize fluctuates due to the nature of expenses in the provincial housing grant.
5. More detail regarding the employee related cost and the remuneration of Councilors are provided in Section 12 of this report.
6. More emphasis will be placed on the Debt impairment; depreciation charges and the Finance charges in Section 10 – Budget Funding.
7. Bulk purchases have significantly increased due to the large increases in electricity bulk purchases levy.
8. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational efficiencies will have to be identified and instituted to reduce the impact of wage and bulk tariff increases in future years.

**Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

WC051 Laingsburg - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<i>Single-year expenditure to be appropriated</i>	2										
Vote 1 - MAYORAL & COUNCIL		–	–	–	–	–	–	–	–	–	–
Vote 2 - MUNICIPAL MANAGER	1	225	347	–	–	–	–	–	–	–	–
Vote 3 - CORPORATE SERVICES	32	15	352	196	266	266	266	266	543	113	13
Vote 4 - BUDGET & TREASURY	316	–	525	20	25	25	25	25	40	30	30
Vote 5 - PLANNING AND DEVELOPMENT	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - COMMUNITY AND SOCIAL SERV	12	–	35	1,726	804	804	804	804	1,580	80	80
Vote 7 - SPORTS AND RECREATION	154	1,848	1,173	581	581	581	581	581	429	–	–
Vote 8 - HOUSING	182	–	8,601	14,520	19,200	19,200	19,200	19,200	160	–	–
Vote 9 - PUBLIC SAFETY	–	–	–	675	1,029	1,029	1,029	1,029	–	–	–
Vote 10 - ROAD TRANSPORT	473	1,878	6,139	2,575	4,941	4,941	4,941	4,941	430	620	35
Vote 11 - WASTE MANAGEMENT	–	–	1,187	–	–	–	–	–	–	–	–
Vote 12 - WASTE WATER MANAGEMENT	7,175	5,948	1,006	1,868	445	445	445	445	3,150	1,133	150
Vote 13 - WATER	1,532	223	620	258	905	905	905	905	6,371	5,047	6,528
Vote 14 - ELECTRICITY	303	100	2,047	6,000	8,000	8,000	8,000	8,000	2,000	4,000	2,000
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		10,181	10,238	22,032	28,419	36,196	36,196	36,196	14,703	11,023	8,836
Total Capital Expenditure - Vote		10,181	10,238	22,032	28,419	36,196	36,196	36,196	14,703	11,023	8,836
<b>Capital Expenditure - Standard</b>											
<i>Governance and administration</i>		349	240	1,224	216	291	291	291	583	143	43
Executive and council	1	225	347	–	–	–	–	–	–	–	–
Budget and treasury office	316	–	525	20	25	25	25	25	40	30	30
Corporate services	32	15	352	196	266	266	266	266	543	113	13
<i>Community and public safety</i>	348	1,848	9,809	17,503	21,614	21,614	21,614	21,614	2,169	80	80
Community and social services	12	–	35	1,726	804	804	804	804	1,580	80	80
Sport and recreation	154	1,848	1,173	581	581	581	581	581	429	–	–
Public safety	–	–	–	675	1,029	1,029	1,029	1,029	–	–	–
Housing	182	–	8,601	14,520	19,200	19,200	19,200	19,200	160	–	–
Health	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	473	1,878	6,139	2,575	4,941	4,941	4,941	4,941	430	620	35
Planning and development	–	–	–	–	–	–	–	–	–	–	–
Road transport	473	1,878	6,139	2,575	4,941	4,941	4,941	4,941	430	620	35
Environmental protection	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	9,011	6,271	4,861	8,126	9,350	9,350	9,350	9,350	11,521	10,180	8,678
Electricity	303	100	2,047	6,000	8,000	8,000	8,000	8,000	2,000	4,000	2,000
Water	1,532	223	620	258	905	905	905	905	6,371	5,047	6,528
Waste water management	7,175	5,948	1,006	1,868	445	445	445	445	3,150	1,133	150
Waste management	–	–	1,187	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	3	10,181	10,238	22,032	28,419	36,196	36,196	36,196	14,703	11,023	8,836
<b>Funded by:</b>											
National Government		5,982	10,142	21,824	27,878	35,715	35,715	35,715	13,160	10,330	8,428
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	5,982	10,142	21,824	27,878	35,715	35,715	35,715	13,160	10,330	8,428
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		4,198	96	208	541	481	481	481	1,543	693	408
Total Capital Funding	7	10,181	10,238	22,032	28,419	36,196	36,196	36,196	14,703	11,023	8,836

**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations which normally would result in work-in-progress at the end of a financial year, single-year appropriations relates to expenditure will incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the inputs of departments and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital program is funded from own funding and government grants and transfers. As mentioned previously the funding source of new borrowings is a remaining problem and is the municipality dependent on the bank sector and there risk assessment process to raise future loans.
5. For 2016/2017, capital transfers from National and Provincial Government amounting to R8.02 million.

## 6. Table A6 -Budgeted Financial Position

WC051 Laingsburg - Table A6 Budgeted Financial Position

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS												
Current assets												
Cash			538	546	6,598	7,244	6,852	6,852	–	3,757	1,917	(4,499)
Call investment deposits	1		7,421	7,771	8,161	7,766	8,341	8,341	–	–	–	–
Consumer debtors	1		2,768	4,336	5,323	2,749	6,138	6,138	–	7,040	7,998	9,012
Other debtors			1,387	356	3,766	1,816	1,816	1,816	–	1,770	1,726	1,683
Current portion of long-term receivables			4	4	0	–	–	–	–	–	–	–
Inv entory	2		1,203	5,698	5,313	2,000	2,000	2,000	–	2,160	2,333	2,519
Total current assets			13,322	18,711	29,161	21,575	25,147	25,147	–	14,727	13,974	8,716
Non current assets												
Long-term receivables			10	9	7	–	–	–	–	–	–	–
Investments			–	–	–	–	–	–	–	–	–	–
Investment property			4,564	4,440	4,511	7,564	7,564	7,564	–	7,564	7,564	7,564
Investment in Associate			–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3		146,856	147,576	161,435	163,465	163,465	163,465	–	169,263	170,830	169,652
Agricultural			–	–	–	–	–	–	–	–	–	–
Biological			–	–	–	–	–	–	–	–	–	–
Intangible			534	343	669	534	534	534	–	472	409	347
Other non-current assets			43	43	46	119	119	119	–	119	119	119
Total non current assets			152,008	152,413	166,668	171,682	171,682	171,682	–	177,418	178,922	177,681
TOTAL ASSETS			165,330	171,124	195,829	193,257	196,829	196,829	–	192,146	192,896	186,398
LIABILITIES												
Current liabilities												
Bank overdraft	1		–	–	–	–	–	–	–	–	–	–
Borrowing	4		–	–	–	–	–	–	–	–	–	–
Consumer deposits			351	396	406	317	317	317	–	337	357	377
Trade and other payables	4		6,485	6,322	12,310	7,530	7,530	7,530	–	5,245	5,403	5,722
Provisions			372	286	418	372	372	372	–	393	413	433
Total current liabilities			7,208	7,003	13,133	8,219	8,219	8,219	–	5,975	6,174	6,533
Non current liabilities												
Borrowing			–	–	–	–	–	–	–	–	–	–
Provisions			8,351	6,872	8,225	8,322	8,322	8,322	–	8,905	9,515	10,162
Total non current liabilities			8,351	6,872	8,225	8,322	8,322	8,322	–	8,905	9,515	10,162
TOTAL LIABILITIES			15,559	13,875	21,358	16,541	16,541	16,541	–	14,879	15,689	16,695
NET ASSETS	5		149,771	157,249	174,471	176,716	180,287	180,287	–	177,266	177,207	169,703
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			149,771	157,249	174,471	176,716	180,287	180,287	–	174,501	174,301	167,029
Reserves	4		–	–	–	–	–	–	–	2,765	2,906	2,674
TOTAL COMMUNITY WEALTH/EQUITY	5		149,771	157,249	174,471	176,716	180,287	180,287	–	177,266	177,207	169,703

### Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of general recognized accounting practices (GRAP), and assists councilors and management to understand the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international standard which presents Assets less Liabilities as the accounted Community Wealth. The order of items within each group, illustrates its liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be transformed in cash.
- Table A6 is supported by an extensive table of notes (Table SA3) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;

- Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
  5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.



**Table A7 - Budgeted Cash Flow Statement**

WC051 Laingsburg - Table A7 Budgeted Cash Flows

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges			20,817	20,817	—	3,604	3,838	4,091	—	3,604	3,838	4,091
Service charges			—	—	—	17,002	18,107	19,302	—	17,002	18,107	19,302
Other revenue			—	—	—	13,055	13,904	14,821	—	13,055	13,904	14,821
Government - operating		1	18,922	18,922	—	16,793	16,948	18,613	—	16,793	16,948	18,613
Government - capital		1	32,762	32,762	—	8,159	15,330	8,428	—	8,159	15,330	8,428
Interest			1,050	1,050	—	1,120	1,193	1,271	—	1,120	1,193	1,271
Dividends			—	—	—	—	—	—	—	—	—	—
Payments												
Suppliers and employees			(41,288)	(41,288)	—	(55,861)	(59,492)	(63,419)	—	(55,858)	(59,488)	(63,415)
Finance charges			—	—	—	—	—	—	—	(4)	(4)	(4)
Transfers and Grants		1	4,449	4,449	—	(628)	(669)	(713)	—	(628)	(669)	(713)
NET CASH FROM/(USED) OPERATING ACTIVITIES			36,713	36,713	—	3,243	9,158	2,395	—	3,243	9,158	2,395
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current debtors			—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables			7	7	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments			—	—	—	—	—	—	—	—	—	—
Payments												
Capital assets			(36,196)	(36,196)	—	(14,703)	(11,023)	(8,836)	—	(14,703)	(11,023)	(8,836)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(36,189)	(36,189)	—	(14,703)	(11,023)	(8,836)	—	(14,703)	(11,023)	(8,836)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing			—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits			(89)	(89)	—	24	25	25	—	24	25	25
Payments												
Repayment of borrowing			—	—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES			(89)	(89)	—	24	25	25	—	24	25	25
NET INCREASE/ (DECREASE) IN CASH HELD			435	435	—	(11,436)	(1,840)	(6,416)	—	(11,436)	(1,840)	(6,416)
Cash/cash equivalents at the year begin:		2	14,758	14,758	14,758	15,193	3,757	1,917	14,758	15,193	3,757	1,917
Cash/cash equivalents at the year end:		2	15,193	15,193	14,758	3,757	1,917	(4,499)	14,758	3,757	1,917	(4,499)

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget. The net effect of budget (both capital & operational) is represented in the net increase or decrease in cash and cash equivalents.
2. Table A7 is supported by an extensive table (Table SA30) that provides a breakdown per month as well as providing a detailed analysis of the major sources of receipts and expenditure.

**Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

WC051 Laingsburg - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	15,193	15,193	14,758	3,757	1,917	(4,499)	14,758	3,757	1,917	(4,499)
Other current investments > 90 days		(7,234)	(6,876)	–	11,253	13,276	19,692	(14,758)	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>7,960</b>	<b>8,317</b>	<b>14,758</b>	<b>15,010</b>	<b>15,193</b>	<b>15,193</b>	<b>–</b>	<b>3,757</b>	<b>1,917</b>	<b>(4,499)</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		3,228	3,040	6,358	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(631)	(1,016)	(336)	(150)	(150)	(150)	–	(230)	(250)	(250)
Other working capital requirements	3	(1,799)	351	5,952	4,265	735	287	–	49	(303)	(592)
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	3,759	2,988	2,589	1,716	1,716	1,716	–	1,702	2,227	2,027
<b>Total Application of cash and investments:</b>		<b>4,557</b>	<b>5,362</b>	<b>14,562</b>	<b>5,830</b>	<b>2,300</b>	<b>1,852</b>	<b>–</b>	<b>1,520</b>	<b>1,674</b>	<b>1,185</b>
<b>Surplus(shortfall)</b>		<b>3,403</b>	<b>2,955</b>	<b>196</b>	<b>9,180</b>	<b>12,893</b>	<b>13,341</b>	<b>–</b>	<b>2,237</b>	<b>243</b>	<b>(5,683)</b>

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. The low working Capital is due to a low percentage collection rate calculations including fines which should be reviewed by National treasury.

**Table A9 - Asset Management**

WC051 Laingsburg - Table A9 Asset Management

WCSST Laingsof - Table A7 Asset Management										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	10,181	10,238	22,032	27,944	35,920	35,720	14,703	11,023	8,836
Infrastructure - Road transport		473	1,878	6,139	2,575	4,941	4,941	-	-	-
Infrastructure - Electricity		303	100	2,047	6,000	8,000	8,000	2,000	4,400	2,000
Infrastructure - Water		1,532	223	620	258	905	905	6,271	4,947	6,428
Infrastructure - Sanitation		7,175	5,948	1,006	1,868	445	445	3,150	1,133	150
Infrastructure - Other		-	-	1,187	-	-	-	1,600	80	80
Infrastructure		9,484	8,149	10,999	10,701	14,291	14,291	13,021	10,560	8,658
Community		348	1,848	9,809	16,828	20,785	20,785	429	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		(0)	(0)	-	0	0	0	160	-	-
Other assets	6	349	240	1,224	416	844	644	1,093	463	178
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		473	1,878	6,139	2,575	4,941	4,941	-	-	-
Infrastructure - Electricity		303	100	2,047	6,000	8,000	8,000	2,000	4,400	2,000
Infrastructure - Water		1,532	223	620	258	905	905	6,271	4,947	6,428
Infrastructure - Sanitation		7,175	5,948	1,006	1,868	445	445	3,150	1,133	150
Infrastructure - Other		-	-	1,187	-	-	-	1,600	80	80
Infrastructure		9,484	8,149	10,999	10,701	14,291	14,291	13,021	10,560	8,658
Community		348	1,848	9,809	16,828	20,785	20,785	429	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		(0)	(0)	-	0	0	0	160	-	-
Other assets		349	240	1,224	416	844	644	1,093	463	178
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	10,181	10,238	22,032	27,944	35,920	35,720	14,703	11,023	8,836
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	37,475	37,659	41,195	41,713	41,713	41,713	43,193	43,593	43,292
Infrastructure - Electricity		12,593	12,655	13,843	14,017	14,017	14,017	14,515	14,649	14,548
Infrastructure - Water		41,536	41,740	45,660	46,234	46,234	46,234	47,874	48,317	47,984
Infrastructure - Sanitation		42,809	43,019	47,058	47,650	47,650	47,650	49,340	49,797	49,454
Infrastructure - Other		12,400	12,461	13,632	13,731	13,731	13,731	14,222	14,355	14,255
Infrastructure		146,813	147,533	161,389	163,345	163,345	163,345	169,144	170,711	169,533
Community		-	-	-	-	-	-	-	-	-
Heritage assets		43	43	46	119	119	119	119	119	119
Investment properties		4,564	4,440	4,511	7,564	7,564	7,564	7,564	7,564	7,564
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		534	343	669	534	534	534	472	409	347
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	151,954	152,360	166,615	171,563	171,563	171,563	177,299	178,803	177,562
EXPENDITURE OTHER ITEMS										
<u>Depreciation &amp; asset impairment</u>		7,939	7,799	7,743	9,669	9,679	9,679	8,904	9,456	10,014
<u>Repairs and Maintenance by Asset Class</u>	3	1,748	1,485	1,874	2,405	3,188	3,188	3,399	3,610	3,823
Infrastructure - Road transport		316	79	197	184	184	184	197	209	221
Infrastructure - Electricity		18	52	98	85	85	85	91	96	102
Infrastructure - Water		108	283	139	248	248	248	264	280	297
Infrastructure - Sanitation		13	12	10	41	303	303	323	343	364
Infrastructure - Other		8	5	8	37	37	37	40	42	45
Infrastructure		463	430	457	595	858	858	975	977	1,029
Community		1	3	67	10	10	10	11	12	12
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	2	146	35	35	35	37	35	35
Other assets	6, 7	1,284	1,049	1,210	1,764	2,285	2,285	2,436	2,587	2,740
TOTAL EXPENDITURE OTHER ITEMS		9,687	9,284	9,618	12,073	12,867	12,867	12,303	13,066	13,837

**Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. The Municipality do not meet both the recommendations.
3. The graph below provides an analysis between depreciation and operational repairs and maintenance over the MTREF and highlights the fact that the Municipality's capital budget is excessive and will not address the maintenance backlog.

**Table A10 - Basic Service Delivery Measurement**

WC051 Laingsburg - Table A10 Basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		1,207	1,207	1,207	1,253	1,253	1,253	1,424	1,424	1,424
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		1,207	1,207	1,207	1,253	1,253	1,253	1,424	1,424	1,424
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	1,207	1,207	1,207	1,253	1,253	1,253	1,424	1,424	1,424
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		1,177	1,177	1,177	1,223	1,223	1,223	1,394	1,394	1,394
Flush toilet (with septic tank)		39	39	39	39	39	39	39	39	39
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	16	16	16	-	-	-
<i>Minimum Service Level and Above sub-total</i>		1,216	1,216	1,216	1,278	1,278	1,278	1,433	1,433	1,433
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	1,216	1,216	1,216	1,278	1,278	1,278	1,433	1,433	1,433
<b>Energy:</b>										
Electricity (at least min.service level)		266	266	266	266	266	266	266	266	266
Electricity - prepaid (min.service level)		1,510	1,510	1,510	1,556	1,556	1,556	1,727	1,727	1,727
<i>Minimum Service Level and Above sub-total</i>		1,776	1,776	1,776	1,822	1,822	1,822	1,993	1,993	1,993
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min.service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	1,776	1,776	1,776	1,822	1,822	1,822	1,993	1,993	1,993
<b>Refuse:</b>										
Removed at least once a week		1,207	1,207	1,207	1,253	1,253	1,253	1,424	1,246	1,246
<i>Minimum Service Level and Above sub-total</i>		1,207	1,207	1,207	1,253	1,253	1,253	1,424	1,246	1,246
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	1,207	1,207	1,207	1,253	1,253	1,253	1,424	1,246	1,246
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		1,207	1,207	1,207	1,253	1,253	1,253	1,424	1,424	1,424
Sanitation (free minimum level service)		746	746	746	792	792	792	963	785	785
Electricity/other energy (50kwh per household per month)		746	746	746	792	792	792	963	785	785
Refuse (removed at least once a week)		746	746	746	792	792	792	963	785	785
<b>Cost of Free Basic Services provided - Formal</b>	8									
Water (6 kilolitres per indigent household per month)		915	991	982	1,222	1,281	1,281	1,539	1,606	1,672
Sanitation (free sanitation service to indigent household)		812	873	1,036	951	1,322	1,322	1,361	1,179	1,250
Electricity/other energy (50kwh per indigent household per month)		29	29	28	36	36	36	41	43	36
Refuse (removed once a week for indigent household)		725	763	885	879	883	883	983	854	907
<b>Cost of Free Basic Services provided - Informal</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		2,481	2,656	2,931	3,088	3,522	3,522	3,925	3,683	3,865
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		15	15	15	15	15	15	15	15	15
Water (kilolitres per household per month)		10	10	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		62	67	74	80	80	80	86	93	101
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		70	70	70	70	70	70	70	70	70
<b>Revenue cost of subsidised services provided</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess		3,492	3,962	4,488	4,300	4,300	4,300	4,584	4,868	5,155
Water (in excess of 6 kilolitres per indigent household per month)		896	1,276	511	410	970	970	1,042	387	1,172
Sanitation (in excess of free sanitation service to indigent household)		-	-	538	-	570	570	642	681	722
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	156	-	198	198	203	216	229
Refuse (in excess of one removal a week for indigent household)		-	-	409	-	438	438	502	533	565
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>		4,388	5,238	6,102	4,710	6,475	6,475	6,973	7,405	7,842

**Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

## Part 2 – Supporting Documentation

### Section 5 - Overview of the annual budget process

#### 5.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled the required timetable on end of August 2015

#### 5.1 Financial Modeling and Key Planning Drivers

The following key factors and planning strategies have informed the compilation of the 2016/17 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 58 has been taken into consideration in the planning and prioritisation process.

### Section 6 - Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the



municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Program of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the strategic objectives.

The 2016/17 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

## **Section 7 - Measurable performance objectives and indicators**

The following table sets out the municipalities main performance objectives and benchmarks for the 2016/17 MTREF.

**Table SA8 - Performance indicators and benchmarks**

WC051 Laingsburg - Supporting Table SA8 Performance indicators and benchmarks

WCSOT Laingsbaurg - Supporting Table SA6 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Borrowing Management</b>											
Credit Rating		n/a	n/a	n/a	n/a	n/a	n/a	n/a			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.9%	0.8%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.2%	1.4%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.8	2.7	2.2	2.6	3.1	3.1	–	2.5	2.3	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.8	2.7	1.9	2.1	2.5	2.5	–	1.7	1.6	0.7
Liquidity Ratio	Monetary Assets/Current Liabilities	1.1	1.2	1.1	1.8	1.8	1.8	–	0.6	0.3	(0.7)
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		177.0%	155.8%	0.0%	116.2%	129.3%	137.8%	0.0%	110.8%	108.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		177.0%	155.8%	0.0%	116.2%	129.3%	137.8%	0.0%	110.8%	108.4%	109.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.0%	9.3%	13.7%	7.0%	12.9%	12.9%	0.0%	11.8%	12.3%	12.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		21.4%	21.6%	40.3%	200.4%	392.8%	-167.4%	0.0%	139.6%	281.9%	-127.2%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	–	–	564	536	536	536	–	509	484	460
	Total Cost of Losses (Rand '000)	–	–	569	654	654	654	–	535	581	621
	% Volume (units purchased and generated less units sold)/units purchased and generated	–	–	–	–	–	–	–	–	–	–
Water Distribution Losses (2)	Total Volume Losses (kℓ)	–	–	106	96	96	96	–	86	84	83
	Total Cost of Losses (Rand '000)	–	–	318	365	365	365	–	362	390	420
	% Volume (units purchased and generated less units sold)/units purchased and generated	–	–	–	–	–	–	–	–	–	–
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.5%	20.1%	19.4%	26.3%	28.5%	28.5%	0.0%	27.6%	28.0%	28.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	36.5%	27.4%	22.8%	27.9%	29.3%	29.3%		29.5%	28.4%	27.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.4%	2.9%	2.8%	3.7%	5.2%	5.2%		4.5%	4.6%	4.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	25.9%	16.4%	12.0%	14.9%	15.7%	15.7%	0.0%	11.9%	12.0%	11.9%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	17.0	–	43.2	40.0	40.0	40.0	–	48.6	48.8	51.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	32.8%	32.4%	53.7%	24.5%	44.5%	44.5%	0.0%	45.4%	46.1%	47.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.0	4.5	3.4	0.8	0.4	(0.9)	–	0.6	0.3	(0.7)

## **Section 8 - Overview of budget related-policies**

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The following policies were reviewed.

### **8.1 Review of credit control, debt collection and indigent procedures/policies**

### **8.2 Asset Management, Funding and Reserve Policy**

### **8.3 Long term financial Policy**

### **8.4 Supply Chain Management Policy**

### **8.5 Budget Policy**

### **8.6 Banking Cash Management and Investment Policy**

### **8.7 Tariff and Rates Policies**

### **8.8 Borrowing Policy**

## **Section 9 - Overview of budget assumptions**

### **9.1 External factors**

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

### **9.2 General inflation outlook and its impact on the municipal activities**

- National Treasury direction or guidelines on budget increases that must be in line with the macro economic strategy of 6.6%.
- Inflation is slightly above the 6% and current figures are at 6,6%.
- Interest rates are yielding currently which impacts on the prices as a whole.
- Eskom electricity tariff approval from NERSA will not only have direct impact on the sale and procurement of electricity but to price hikes in general.
- Apart from the normal salary increments, Medical Aid Employers contributions increments will be between 10 and 15%. This places a heavier financial burden on the revenue sources and impacts on the tariff calculation as a whole.
- General increases in purchasing or cost price of normal items increase on average between 8-10% as in relation to the same period last year.
- Repair and Maintenance Costs together with labour costs of repairing municipal assets also fall victim of the huge price hikes which needs to be taken into consideration.

### **9.3 Interest rates for borrowing and investment of funds**

The municipality did not make provision for borrowings in its budget.

### **9.4 Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The projected collection rate is therefore 95% on service charges and property rates,

#### **2.5.6 Growth or decline in tax base of the municipality**

The growth in terms of tax base will increase, however the increases is mainly with indigent households and therefore no correlating revenue increase is noted, on the contrary revenue increase with less than the tariff increase.

### **9.5 Salary increases**

Refer to paragraph 9.2

### **9.6 Impact of National, provincial and local policies**

The following is taken into account, however no strong link between the policies and the municipal spending priorities:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

### **9.7 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 90 per cent on the capital program for the 2016/17 MTREF of which performance has been factored into the cash flow budget.

### **9.8 General Costs**

- Fiscal discipline needs to be adhered to by all.
- Fuel increases not to be properly provided for.
- Telephone Charges better internal control methods need to be enforced.
- Limitation or strict control over the increment of other line items will have to be carried out.
- General price increases will also contribute to links in general costs.
- Subsistence and Travel must only be undertaken when enough funds are available on the budget.

## 9.9 Summary table

**VARIABLE GENERAL ASSUMPTIONS FOR THE BUDGET PERIOD**

<b>BUDGET YEAR</b>	<b>2016</b>
<b>CPIX % FOR BUDGET YEAR</b>	<b>6.6</b>
CPIX % FOR BUDGET YEAR +1	6.2
CPIX % FOR BUDGET YEAR +2	5.9
Eskom: Bulk purchase (kWh) Town area	6,100,000
Eskom: Bulk purchase (kWh) Bergsig	1,100,000
Eskom Notified max demand (kVA) Town area	1,415
Eskom Notified max demand (kVA) Bergsig	384
Eskom Bulk purchase increase from 1 July	7.86
Eskom Bulk purchase increase from 1 Jan	0
NER increase allowed for Municipality	7.64
Growth rate for electricity sales	2
Growth rate for prepaid electricity sales	5
Growth rate for prepaid water sales	1
Actual statistics posted for the assumptions - months	8
Actual expenditure posted for the assumptions - months	8
Salary increase as per SALGA agreement budget year	7.6
Salary increase as per SALGA agreement budget year +1	7.2
Salary increase as per SALGA agreement budget year +2	6.9
UIF Rate	0.01
Minimum wage	0
Workmen's Compensation Rate	.01196

## Section 10 - Overview of budget funding

### 10.1 Medium-term outlook: operating revenue

Tariff setting plays a major role in ensuring desired levels of revenue. Correct and accurate tariffs are imperative in the compilation of a credible and funded budget. The Municipality derives most of its actual operational revenue from the delivery of goods and services such as water, electricity, sanitation and solid waste removal. Apart from the services, other revenue i.e., fines, operating grants, building plan fees, licenses and permits, fines etc. are applicable. The rates and taxes will then be the shortfall in revenue, after all the revenue resources have been determined, and will reflect the balancing number.

The proposed tariff increases for the 2016/17 MTREF on the different revenue categories are:

- Property rates - 9.3%
- Electricity - According to NERSA
- Water - 8.5%
- Refuse Removal - 9.8%
- Sewerage - 8.0%

The tables below provide detail investment information and investment particulars by maturity.

#### Table SA15 – Detail Investment Information

Not Applicable

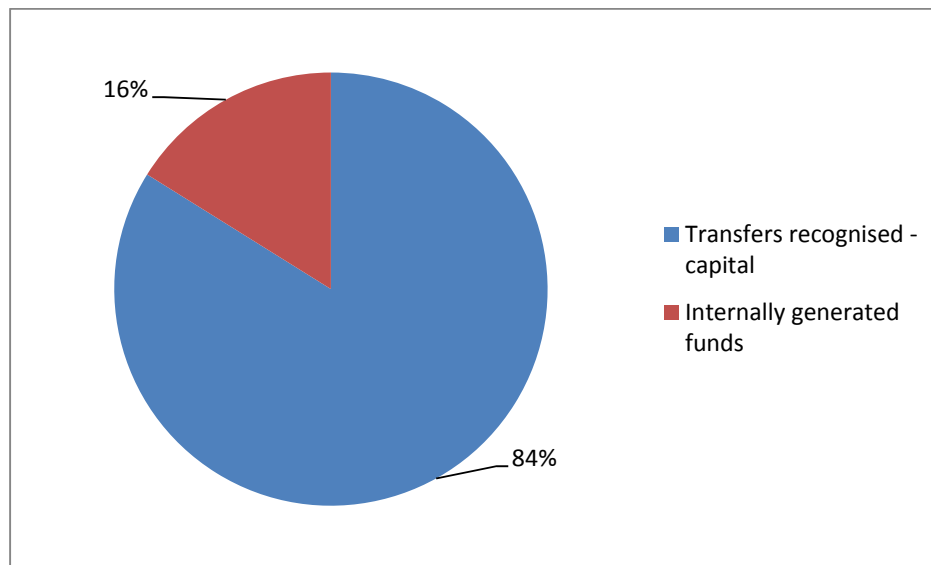
#### Table SA16 – Investment particulars by maturity

Not Applicable



## 10.2 Medium-term outlook: capital revenue

The funding composition of the 2016/17 is graphically represented as follows:



**Figure 6 - Sources of capital revenue for the 2016/17 financial year**

Capital grants and receipts equates to 84% of the total funding source which represents R8.02 million for the 2016/17 financial year.

**Table SA29 - Budgeted monthly capital expenditure (standard classification)**

WC051 Laingsburg - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital Expenditure - Standard</b>	1															
<i>Governance and administration</i>		-	63	-	-	500	-	-	-	20	-	-	-	583	143	43
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	40	-	-	-	-	-	-	-	-	-	-	40	30	30
Corporate services		-	23	-	-	500	-	-	-	20	-	-	-	543	113	13
<i>Community and public safety</i>		-	440	-	1,300	-	-	-	-	-	-	429	-	2,169	80	80
Community and social services		-	280	-	1,300	-	-	-	-	-	-	-	-	1,580	80	80
Sport and recreation		-	-	-	-	-	-	-	-	-	-	429	-	429	-	-
Public safety		-	160	-	-	-	-	-	-	-	-	-	(160)	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	160	160	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	350	-	-	-	-	80	-	-	-	-	430	620	35
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	350	-	-	-	-	80	-	-	-	-	430	620	35
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,100	3,903	1,300	500	1,000	-	-	-	100	150	-	3,467	11,521	10,180	8,678
Electricity		600	600	800	-	-	-	-	-	-	-	-	-	2,000	4,000	2,000
Water		-	2,803	-	-	-	-	-	-	100	-	-	3,467	6,371	5,047	6,528
Waste water management		500	500	500	500	1,000	-	-	-	-	150	-	-	3,150	1,133	150
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	2	1,100	4,406	1,650	1,800	1,500	-	-	80	120	150	429	3,467	14,703	11,023	8,836
<b>Funded by:</b>																
National Government		600	3,403	800	1,300	-	-	-	-	-	-	429	6,627	13,160	10,330	8,428
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		600	3,403	800	1,300	-	-	-	-	-	-	429	6,627	13,160	10,330	8,428
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	343	350	-	500	-	-	80	120	150	-	-	1,543	693	408
<b>Total Capital Funding</b>		600	3,746	1,150	1,300	500	-	-	80	120	150	429	6,627	14,703	11,023	8,836

## Section 13 - Contracts having future budgetary implications

Not applicable

## Section 14 - Capital expenditure details

The following tables present details of the Municipality's capital expenditure program.

Program/Project description	2016/17 Medium Term Revenue & Expenditure Framework			Project information	
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
STOFSUIER	2	2	2	All	New
URN	1	1	1	All	New
KANTOORTOERUSTING	20	10	10	All	New
FINANSIES: REKENAARS	40	30	30	All	New
7 SITPLEK VOERTUIG	300	–	–	All	New
STOELE	200	100	–	4 & 1	New
VIP TOILETTE	80	80	80	All	New
PUBLIEKE TOILETTE	200	–	–	All	New
Bakkie Tegnies	350	200	–	All	New
Gereedskap	20	20	–	All	New
DUAL SAW	5	–	–	All	New
BETONMENDER	–	–	35	All	New
METAL DETECTOR	15	–	–	All	New
ELEKTRIESE PULLEY	20	–	–	All	New
HANDRADIOS	20	–	–	All	New
WATERPOMP	100	100	100	All	New
OPGRADEER KANTOORTOILETTE	20	–	–	All	New
Rioolpomp	150	150	150	All	New
MATJIESFONTEIN SPORTGRONDE	429	–	–		1 New
SPORTGRONDE: LAINGSBURG OPGRADE	–	–	–		2 New
GOLDNERVILLE ELEVATED TANK	3,467	–	–	1+4	New
Chloorstelsel van WWTW MATJIES	–	–	–		1 New
BEGRAAFPLAAS GOLDNERVILLE	1,300	–	–		2 New
GOLDNERVILLE: GABIONS ENTRANCE	–	–	–		2 New
REHAB SOUTKLOOF FONTEIN	2,803	–	–	All	New
HOEMASLIG MATJIESFONTEIN	–	400	–		1 New
REHAB SOUTKLOOF FONTEIN	–	4,947	6,428	All	New
REHAB MATJIES SANITASIE	–	983	–		1 New
Integrated National Electrification Programme	2,000	4,000	2,000	All	New
Behuising 171 Wonings: Goldnerville	160	–	–		1 New
Repair of flood damages	3,000	–	–	All	New
	14,703	11,023	8,836		

**SA32 – List of external mechanisms**

The Municipality has none therefore the table is not included

**Section 15 - Municipal manager's quality certificate**

I, Mr. P Williams, Municipal Manager of Laingsburg Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name \_\_\_\_\_

Municipal Manager of Laingsburg Municipality (WC051)

Signature \_\_\_\_\_

Date \_\_\_\_\_